PROGRAM SIMPLIFICATION WORKGROUP
MINUTES
February 13, 2003
GEF III, Room 349

Attendees:

Carol Amelong, DHCF/QC
Dick Buschmann, Ad Hoc Member
Alesia Daniel, Milwaukee Co.
Monica Daniely, UMOS
Brian Fangmeier, DHCF/QC
James Hennen, DHCF/SE Region
Jon Janowski, MHTF
Donna King, DHCF/PIC
John LaPhilliph, DHCF/BEPI
Mike McKenzie, DHCF/BEPI
Carol Medaris, WCCF
Sara Pynenberg, DHCF/BEPI
Scott Riedasch, DHCF/BEPI
Marilyn Rudd, DHCF/BOEM
Sara Shackleton, Dane Co.
Sheryl Siegl, Winnebago Co.
Rick Zynda, DHCF/BOEM

Introductions

Three new workgroup members were introduced – Sheryl Siegl, Winnebago County ES/W-2 Manager, Scott Riedasch, Section Chief, Bureau of Eligibility, Policy & Implementation, will be the committee tri-chairs. James Hennen, Assistant Area Administrator, DHFS, Southeast Region, is a new committee member.

Overview of Change Reporting Conference Call **Sara Pynenberg**

The Center on Budget and Policy Priorities facilitated a discussion on "Semi-annual Change Reporting" on January 21, 2003; staff from a number of states and USDA-FNS representatives joined them.

In recent years, USDA has provided states with several new options (through regulations and administrative waivers) to simplify reporting requirements for food stamp households. One of those is **Semi-Annual Reporting –**

- The agency calculates a household's benefit at application, and the benefit is essentially frozen for the next six months, because the HH isn't required to report changes unless their income rises above 130 percent of the poverty line.

- They *may* report other changes in circumstances, and reporting all changes requires a waiver. States have some flexibility over how they respond when households voluntarily report these additional kinds of changes.

- At the end of six months, states must require the household to file a semi-annual report and necessary verifications. Based on the new information, the state re-determines the household's eligibility and benefits for the next six-month period.

Twenty-two states implemented semi-annual reporting with waivers and ten states implemented without waivers.

Staff, from those states that have implemented this option, had a number of recommendations -

- Automated systems must be programmed and thoroughly tested to support these policy changes.
- Each state's data must be analyzed to assure that this change won't raise the error rate.
- Local agencies must be involved, well ahead of time.
- Local agency staff "buy-in" is critical to the success of this option.
- The appropriate training must be delivered, for greatest effect it should be delivered immediately before implementation.
- It is also critical to re-train staff before the first round of reviews.

The positive impact of implementing semi-annual reporting – it reduces earned/unearned income errors, it reduces the reporting burden for clients, and it reduces workload for local agency staff.

There are some issues that have a negative impacting potential – non-alignment with other benefit programs, glitches in system programming, and benefit calculation errors at application and review.

As yet, there is not enough data to analyze the over-all effectiveness of semi-annual reporting, but early data suggests that it is effective in reducing errors. One immediate impact has been the to reduce a client's reporting burden.

Wrap up Change Reporting Pros/Cons Discussion — Everyone

- **Semi-Annual Reporting**

<u>Overview:</u>

- Households required to submit semi-annual change reports with verification of reported changes
- Twelve month certification periods possible
- Households required to report income exceeding the gross income limit between reporting periods (>130% FPL)
- Waiver necessary to allow action on <u>all</u> reported changes
- Certain households cannot be required to report semi-annually including:
  - Households that include migrant or seasonal farm workers,
  - Households where all members are homeless,
  - Households without earnings where all members are elderly or disabled
- FNS discourages semi-annual reporting for households that include an ABAWD due to hourly change reporting requirement and time-limits
- Would require significant CARES programming changes
- Would require a significant training effort

Brian Fangmeier, QC Supervisor, wanted to clarify one of the Pro statements found in the January minutes. The statement, number 3, read - "If a QC reviewer found a discrepancy in income which did not exceed the 130% FPL, it would <u>not</u> be called an error."

Brian wanted to clarify that It would not be called an error for client failure to report; however, if the client had reported the change, and the agency failed to act, QC would call it an error. It is also important to remember that if QC found an error in the calculation of the benefit, at application or review, it would be called an error.

The workgroup began listing additional pros and cons -

Pro:

1. This process significantly reduces the burden on clients.

2. As many as 30 – 40% of the clients in Milwaukee County are "no-shows", if the six-month review is a mail-in it will reduce the workload caused by "no-shows".

Con:

1. Clients will need to understand what income changes will result in their exceeding the 130% FPL for their household size. (In the most recent month available – 1.6% of the cases closed in that month were closed for excess gross income.)

2. Many workers have expressed dissatisfaction with mail-in re-certification, could F-T-F be required at six months? *Sara Pynenberg's response was, "Yes."*

3. It may be difficult getting worker "buy in".

4. Training is critical and we are in a fiscally difficult period.

5. In MA, Healthy Start has a threshold of 150% FPL, so alignment with FS would potentially cause lost enhanced funding.

6. Concerned about FS "pop opens"?

- **130% FPL Waiver Idea**

Overview:
A waiver could be requested to require clients to only report changes in income if the **total** household income would exceed 130% of the FPL. The waiver would replace the status reporting and $100 child support income reporting waivers currently in place. There would be no other changes in the FS change reporting requirements, and 6 or 12 month FS certification periods would continue to be required.

- Households are required to report changes within 10 days, including changes in:

1. Total household income exceeding 130% of FPL for household size
2. Residence and resulting changes in shelter/utility expenses
3. Household composition
4. Increase in assets, when these changes cause assets to exceed the asset limit
5. Obligation to pay child support

Pro:

1. The only required system change would be a change to notices.

2. This option could be implemented quickly, and it could represent Phase One in the larger goal of implementing the semi-annual reporting options.

3. This income reporting change would significantly reduce Wisconsin's greatest error prone area.

4. This allows us to address our largest cause of error with the least amount of CARES programming and training costs.

5. It is close to the status quo while phasing in the more extensive reporting changes.

6. Modifying "Change Reporting" incrementally will allow the State more time to develop semi-annual reporting; other states have assured us that that is critical to its success. They also emphasized the importance of fully sharing this change with our partners, programming and testing CARES thoroughly, and training local agency staff.

Con:

1. This could impact claiming Medicaid administrative dollars if there are errors or an alignment change for Medicaid – i.e. Healthy Start has a threshold of 150% FPL and the state claims enhanced CHIP funding.

2. Other states didn't have to reprogram an integrated system.

3. Clients with the most fluctuating incomes have families and receive other programs, so alignment is an important issue, otherwise, it's too confusing to clients.

4. Earned income is approximately 40% of Wisconsin's FS error equation, but we are subject to other errors. Are we missing the bigger picture?

- **Status Quo/$100 CS Waivers**

Overview:

- Households required to report certain changes within 10 days including changes in:
- Employment status (part-time to full-time or full-time to part-time)
- Wage rate of pay or salary
- Gross monthly unearned income of more than $25 or changes of more than $100 in child support income
- Source of income
- Residence and resulting changes in shelter/utility expenses
- Household composition
- Increase in assets, when these changes cause assets to exceed the asset limit
- Obligation to pay child support
- Would not require CARES programming changes
- Would not require extensive training effort

Pro

1. Workers and QC field staff often indicate that the non-face-to-face reviews cause more work than the face-to-face reviews. Bad information or non-information can be messy and time consuming.

Con

1. The current high error rate and increased workload recommends change.

2. Benefit program's Change Reporting criteria differ and will not align.

3. If QC found a discrepancy, other than in the 130% FPL income reporting, it would be an error.

4. People are not familiar with what needs to be reported.

5. Change may cause error, but lack of change can also cause error.

6. Elimination of the six-month F-T-F review allows workers to absorb an increasing caseload.

7. Staff have been heard commenting that the do not like the MA mail-in review. However, it also appears that workers complete a lot of reviews using the mail-in review forms. It was recommended that the state analyze their data and determine which view can be supported.

At this point Mike asked the workgroup to vote on the option that they preferred. Our votes would determine what option we would send forward as our recommendation. An issue paper will then be written and forwarded to our management. The voting, as a show of hands, was as follows -

Option	For	Against
➢ Monthly Reporting Forms (MRFs)	**0**	**17**
➢ Quarterly Reporting	**0**	**17**
➢ Semi-Annual	**11**	**3**
➢ 130% Waiver	**3**	**11**

The workgroup then agreed that we needed further clarification and discussion of the last two options – Semi-annual Reporting versus the 130% FPL waiver.

130% FPL Waiver –

Implementation of the 130% FPL waiver could be an interim step, followed by full implementation of the Semi-annual Option.

Pro

1. Using this as "Phase One" would allow us to immediately address an error reduction issue, while providing us with the necessary time to implement the semi-annual option – informing local agencies, addressing concerns of local agency staff, initiating the necessary CARES programming, thoroughly testing, and developing and scheduling local agency training.

2. With the current budget issues, the 130% FPL Waiver would be the least costly option.

3. The time required for waiver approval has been significantly reduced, so we can be making an impact while moving forward toward semi-annual reporting changes.

Con

Note: Dick Buschmann has clarified his meeting remarks via an email. With only a few small changes for clarity, I am quoting Dick -

1. I thought I would send a brief note to better explain the option I didn't explain well enough today and died because of that. The suggestion was to **IMMEDIATELY** implement the semi annual change reporting by issuing an operations memo to staff (similar the one issued for MA income simplification) and modifying the **review notice only** to notify customers of the change and their 130% of poverty amount. This would not preclude pursuing the waivers, as well as pursuing the other desired CARES changes and training for a more comprehensive and automated method for workers and customers as time and resources allowed. In the mean time workers and customers that understood it would reinforce it and act appropriately. Those that did not would probably still report changes or not report changes as they are doing now. The six month review would continue for now and would qualify as the means to meet the semi annual change reporting requirement and actions taken on those changes would be consistent with the requirement to act on any reported changes during the certification period. However the **IMMEDIATE** BENEFIT WOULD BE EXCLUSION FROM QC ERRORS FOR ANY CHANGE THAT WAS NOT REPORTED DURING THE SIX-MONTH CERTIFICATION PERIOD. (Which are more than half the errors now. Even if there were some increase in errors as a result of insufficient understanding, they would be less than the current errors that would be excluded). I know this is probably dead. I just wanted it to be reflected more clearly in the minutes.

   One last consideration I don't think was addressed about the waiver issues being considered is cost neutrality difficulties. I presume that provision still applies to the waivers.

2. Semi-annual option would be the ultimate goal for clients. Past experience with USDA and with the state has proven that most new policies or processes take time. Move forward with the single goal of implementing semi-annual reporting. Don't spend the time on incremental changes/phases.

These pros and cons were discussed at length, and then Mike asked for a final show of hands –

Option	For	Against
➢ Implement 30% FPL Waiver as Phase One	12	5
➢ Semi-annual reporting & associated waivers	3	14
➢ Adopt Farm Bill language & seek waivers later	0	17

Based on all of the discussion and the final vote, an issue paper will be written for DHFS managers recommending the 130% FPL Waiver option, implementing as quickly as possible as Phase One in semi-annual reporting. A copy of this paper will be presented to our workgroup in March.

Program Updates & Next Steps **Scott/Mike/Sheryl**

Program updates will be addressed at the meeting in March. The tri-chairs encourage members to email them with future discussion items.

Next Meeting – Thursday, March 13, 2003 in GEF III, room 349 from 12:30 – 3:00.